

news from Labour

in the European Parliament

European Parliamentary Labour Party

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For immediate release

Thursday 12th June 2003

Shell and BP challenged on Proposed EU Disclosure Rules

Speaking after today's public hearing in the European Parliament in which BP and Shell were held to account for the failure by oil companies to give full disclosure of payments to governments accused of corruption and fuelling civil war in the Third World, Richard Howitt MEP, the European Parliament's Spokesperson on Corporate Social Responsibility, said,

"The overwhelming support for mandatory disclosure from MEPs today, sends a clear political signal that a decision for companies to be forced to act on transparency of payments is on its way."

"Shell's public support today for the principle of the proposed EU transparency regulation is very significant, it will form an important bridgehead in terms of winning support in the wider oil industry for legislation which is desperately needed."

"However, the evidence that Shell's own disclosure practices in Nigeria are all but unknown in that country shows that the fight against corruption has to move out from the meeting rooms of Brussels and into companies' operations around the world."

Richard Howitt MEP, who is responsible for organising the European Parliament's Annual Public Hearings on Corporate Social Responsibility said,

"I was concerned at BP's failure to adequately address questions about the difficulties they encountered in publishing payments in Angola. It is only by debating the most difficult issues that we can make real progress. These are governments that are rife with corruption and where the practice of embezzling oil revenues is deeply embedded - they will never agree to fully cooperate in a voluntary arrangement. The important point is that BP were trying to do the right thing in Angola and were frustrated by a threat to kick them out of the country."

"By the very nature of these agreements they are negotiated in private, but we need an honest appraisal from the oil companies of the true difficulties of dealing with undemocratic regimes if the fight against corruption is to be at all meaningful."

Howitt added,

"Both BP and Shell are making the right noises in favour of transparency, but in private admit the difficulties faced because corrupt Governments can refuse companies seeking to publish from winning lucrative contracts."

"The only way to stop companies from being played off against each other and realise the good intentions is the introduction of binding EU legislation."

"With new EU-wide transparency rules currently before Parliament, there is a real opportunity for the people of desperately poor countries to stop seeing their oil income embezzled and squandered with the complicity of our European oil companies."

More information Richard Howitt MEP on +44 (0)7768 122 888 or Helen Kearns 00 32 478 585 281

Third Annual Public Hearing on Corporate Social Responsibility,

"PUBLISH WHAT YOU PAY - TRANSPARENCY IN PAYMENTS TO DEVELOPING COUNTRY GOVERNMENTS."

Thursday, 12 June 2003, 10.30 a.m. - 12.30 p.m., Room: ASP 1 G 2, European Parliament (Brussels).

Speakers:

Mr Richard HOWITT MEP, European Parliament Spokesman on Corporate Social Responsibility

Mr Igbo HERBERT - Helping Hand Group, Nigerian NGO

Mr Simon TAYLOR - Global Witness, London NGO

Mr Alain DETHERIDGE - SHELL International

Mr Howard CHASE - British Petroleum

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